



Mitchell E. Daniels, Jr., Governor
James W. Payne, Director

Indiana Department of Child Services
Room E306 – MS47
302 W. Washington Street
Indianapolis, Indiana 46204-2738

317-234-KIDS
FAX: 317-232-4497

www.in.gov/dcs

Child Support Hotline: 800-840-8757
Child Abuse and Neglect Hotline: 800-800-5556

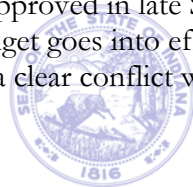
Dear Judge:

HEA 1001 as passed presents many opportunities and many challenges. We are excited about the opportunity to address any system changes that are presented by this historic bill and the fact that the state will be paying for services for children and families. There was some early discussion about separate funding and processes for CHINS and delinquent children and we are pleased that there will be single process and payment system for both categories. With that there are still challenges and issues to be addressed.

As we begin to bring practical application of HEA 1001, we are given the rare and unique opportunity to work together to ensure that under this new law, the children and families of our state receive the services they need to live safe and productive lives. We can begin to embrace this opportunity by sharing and communicating about the changes and modifications to our current system. As with any significant opportunity, challenges must be addressed; and challenges always pose the possibility of disagreement and dispute. We recognize that each county will face situations, circumstances, and processes that must be modified or adapted to conform to HEA 1001. Open dialogue and regular communication between us is essential in minimizing those problems. This letter has been prepared in that spirit and with the intent of beginning clear lines of communications between us as HB1001 is implemented.

One of the first challenges that we must resolve centers on the services and programs currently paid out of the Family Children's Fund at the local level from county property tax payer dollars. In our preliminary review we have found that some expenditures now paid from various county Family Children's Funds are no longer allowed under HEA 1001. To help you plan for alternative funding for those affected programs and services, we have begun an evaluation of what is an appropriate and acceptable expenditure for the State of Indiana beginning January 1, 2009, once HEA 1001 takes effect. This is an important issue and must be addressed now because of the timing and other issues within the framework of the local county budgeting processes and for you as a Judge to consider as the local budget is prepared and submitted.

The timing for this process includes that the local county budgets are on a calendar year, the state is on a fiscal year; the county budget process is beginning now and the state process will begin in the fall; the county budgets must be submitted soon while the state budget will not be submitted until early fall; the county budget will be approved in late September and the state budget approved in the Spring of 2009; and, the county budget goes into effect January 1, 2009 and the state budget goes into effect July 1, 2009. That leaves a clear conflict with the time to discuss and prepare the



Protecting our children, families and future

county budgets in conjunction with the state budget. To the extent that your county wants to continue services that will not be covered by the state funds, you may want to consider putting those items in your current budget process.

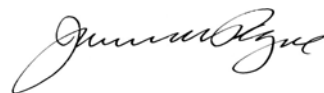
That having been said, there are line items and services that the state should not and cannot assume responsibility for after January 1, 2009. Those preliminarily include the following:

1. GAL/CASA services- the statute indicates that it is a county responsibility to provide the "match" for the state funds provided from the Supreme Court.
2. Medical and other expenses for youth in detention- the statute clearly defines detention costs and services that the county is responsible for after January 1, 2009.
3. Existing programs where probation officers and other existing specialty courts currently funded by the Family and Children Funds may require review by the Regional Services Councils pursuant to I.C. 31-26-3.5.
4. Services for children while they are in detention- except for those provided as continuation for those children in detention and who received those services before their placement in detention.

The above list is not intended to be exhaustive or include all of the services or programs that fall into those categories. The list is only to indicate that there are costs currently paid for out of the current local county Family and Children Fund that will or may not qualify for payment by the State after January 1, 2009. If you have any questions about the payment of funds or services, I suggest sending me an email at james.payne@dcs.in.gov and I will coordinate the answers to those questions and work with Judicial Center's HEA 1001 Website containing common questions and answers so that every one will receive the same answer at the same time. Given the timing of the preparation of the county budgets, I would strongly suggest that any questions be sent soon so they can be answered soon.

Thank you for your attention and work on this important part of House Enrolled Act 1001.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James W. Payne".

James W. Payne, Director
Department of Child Services